

**U.S. – PERU
TRADE PROMOTION AGREEMENT:
IMPORTANCE TO THE U.S. DISTILLED SPIRITS INDUSTRY**

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The Distilled Spirits Council of the United States, Inc., a national trade association representing U.S. producers, marketers and exporters of distilled spirits products and importers of wine, strongly supports the U.S.-Peru Trade Promotion Agreement (PTPA). DISCUS member companies export spirits products to more than 130 countries worldwide, including to Peru. In 2005, Peru was the seventh largest market for U.S. distilled spirits in Latin America.

The U.S.-Peru Trade Promotion Agreement will open the market immediately for U.S. exports.

- Peru currently assesses tariffs ranging from 10% to 20% *ad valorem* on imported spirits. Under the PTPA, all tariffs on U.S.-origin spirits will be eliminated immediately, significantly improving the competitiveness of U.S. distilled spirits in the market.

The U.S.-Peru Trade Promotion Agreement secures important protection for Bourbon and Tennessee Whiskey.

- Peru has agreed to recognize Bourbon and Tennessee Whiskey as distinctive products of the United States. This commitment will ensure that only spirits produced in the United States, in accordance with the laws and regulations of the United States, may be sold as Bourbon or Tennessee Whiskey in Peru. Bourbon and Tennessee Whiskey are by far the leading U.S. spirits exports worldwide.

The PTPA will create new opportunities for U.S. spirits exports.

- From 1999-2004, U.S. spirits exports to Peru averaged approximately \$550,000 annually. In 2005, U.S. exports to Peru dropped below \$400,000 for the first time in seven years. The PTPA is expected to help restore and support the growth of U.S. spirits exports to Peru.

